

Memorandum for:

This memorandum was prepared at the request of David Wigg on 14 March 1984 for the Special Assistant to the President for National Security Affairs. The memo [redacted] [redacted] was handcarried to the NSC on 15 March 1984.

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[redacted]
16 March 1984

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**Office of European Analysis
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Central Intelligence Agency



Washington, D. C. 20505

15 March 1984

MEMORANDUM FOR: William Martin
Special Assistant to the President
for National Security Affairs

FROM : [REDACTED]
Deputy Director, Office of European Analysis

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SUBJECT : Helga Steeg

1. Per your request, attached is a summary of policy positions taken by Helga Steeg of West Germany's Economics Ministry. [REDACTED]

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[REDACTED] All information is current except her position within the Ministry; she is now Assistant Secretary.

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15 March 1984

MEMORANDUM

Economic Views of Assistant Secretary Helga Steeg

1. Helga Steeg, Assistant Secretary to West German Economics Minister Lambsdorff, has been one of West Germany's most forceful supporters of liberal trade and finance policies. An expert in investment and trade policy, Steeg has handled matters pertaining to COCOM, East-West trade and finance, and GATT. We have no evidence of her having any involvement in formulating West German energy issues. [redacted]

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2. In discussions on strengthening COCOM held over the past two years, Steeg has strongly defended the West German position that COCOM restrictions on the flow of trade to the East should prohibit the sale of "sensitive" Western technologies which the Germans interpret more narrowly in the case of computers and robotics.

- During bilateral discussions on COCOM with US officials in 1982, Steeg argued that increased trade links with the East benefited the West by increasing Soviet dependence on Western goods. She agreed with the United States on the need for strengthening COCOM and for the West to maintain a technological lead in conventional defense. At the same time, Steeg argued that a product-by-product approach was necessary to avoid unnecessary trade restrictions. [redacted]

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3. On East-West trade and finance issues generally Steeg has taken an equally forceful position in defending West German policies. In particular, she has argued that curbing trade and credit flows to the Soviet Union violates West Germany's strong commitment to free trade. She has often noted that West Germany does not want to be viewed as a participant in "economic warfare."

- Steeg opposed US proposals made prior to the Versailles Summit to limit credits or guarantees to the East. Steeg also stated that Bonn would resist the US proposal to make higher interest rates an alternative to shorter maturities as a means of tightening export credit to the USSR.
- In early 1982 meetings between US officials and Steeg to discuss US sanctions on equipment for the Siberian pipeline, she presented West Germany's preferred [redacted]

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[redacted]

solution to the pipeline problem: lift the sanctions in return for limitations on West German equipment deliveries scheduled after 1982. The offer appeared to have been an attempt to balance West German and US interests.

- At the sanctions meeting, Steeg also reiterated the interest of West German firms in continuing normal trade with the Soviet Union. [redacted]

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4. In dealing with GATT and other international trade issues, Steeg's strong belief in free markets has been evident at every turn. In recent meetings with US Embassy officials on prospects for a new round of multilateral trade negotiations, she stated that Bonn favors such a proposal and would be willing to include in such discussions reduced barriers for services as well as high technology trade. [redacted]

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5. At the same time, Steeg has taken a cautious attitude toward sweeping proposals to solve international trade or finance problems. In the case of LDC debt, for example, West Germany has resisted the introduction of new, unproven, or drastic solutions such as unofficial proposals floated by Canada for unilateral conversion of short-term to long-term debt. According to Steeg, long-term rescheduling with the LDCs should proceed, as previously, on a case-by-case basis. This conservative approach is also seen in her statements strongly opposing government interference in exchange rates. [redacted]

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